

FREQUENTLY ASKED QUESTIONS

Estate Planning and Wealth Preservation

At Fedor, Camargo & Weston PLC, we view each client on a broad spectrum, taking in account all of your circumstances to create estate planning solutions that fit your specific needs and desires. Estate planning is a broad term used to describe various aspects of planning your future. In fact a comprehensive estate plan may encompass not only documents like a will and trust, but also a business succession plan or the establishment of college funds for your grandchildren.

Incapacity

Estate Planning also provides for your life situations in the case of incapacity. If you become incapacitated how would you manage your affairs? Without proper planning someone may have to go to court to obtain legal authority to act on your behalf, causing unnecessary delay and expense. Proper planning can avoid unnecessary expense and delay through the use of revocable living trusts, powers of attorney, and other planning methods available to you.

Medical Power of Attorney

Estate Planning also provides a way to you to decide who would make medical decisions on your behalf if you are unable to participate in your care. You can appoint a loved one to make medical decisions on your behalf if you become incapacitated. Although people believe that their families know their wishes when it comes to medical care, often in times of stress and anxiety over medical emergencies difficult decisions become impossible. Through proper estate planning prior to your incapacity you can appoint someone you trust to make these decisions if you become unable to do so. We can provide clients with

patient advocate designations, living wills, and HIPAA disclosure forms to provide a peace of mind in such trying times.

Unnecessary Expense and Delay

Estate Planning also provides for your life situations in the case of incapacity. If you become incapacitated how would you manage your affairs? Without proper planning someone may have to go to court to obtain legal authority to act on your behalf, causing unnecessary delay and expense. Proper planning can avoid unnecessary expense and delay through the use of revocable living trusts, powers of attorney, and other planning methods available to you.

Minor Children

Estate planning can also provide for minor children. Without proper planning, children will not only be forced to deal with the loss of a parent, but may also be subject to a judge deciding who will raise them and who will be in control of their finances. Additionally, once a child reaches the age of 18, they are considered an adult and can take control of their assets. Proper estate planning can prevent the misuse of assets, protect the child's assets from unscrupulous persons and avoid unnecessary financial burdens.

Taxes

Estate planning can also help you to maximize your tax savings and avoid the "death tax" if possible. Through proper estate planning you can minimize the effect of estate taxes and also minimize income taxes through proper handling of retirement accounts.

Estate planning ultimately is for the ones we leave behind. It is for our families and friends so that in their time of grief and sadness they are not also forced to deal with financial, business or other decisions we did not intend.

Estate planning is one of the most important steps any person can take to make sure that their final property and health care wishes are honored, and that loved ones are provided for in their absence. Though often overlooked or put off in favor of more immediate concerns, a comprehensive estate plan can resolve a number of legal questions that arise

whenever anyone dies: What is the state of their financial affairs? What real and personal property do they own? Who gets what? Does a personal guardian need to be appointed to care for minor children? How much tax will need to be paid in order to transfer property ownership? What funeral arrangements are appropriate?

What is an “Estate”?

Your “estate” consists of all property owned by you at the time of your death, including:

- Real estate
- Bank accounts
- Stocks and other securities
- Life insurance policies
- Personal property such as automobiles, jewelry, and artwork

How Can an Estate Plan Help?

Regardless of your age, or the size and complexity of your estate, an estate plan can accomplish the following:

- Identify the family members and other loved ones that you wish to receive your property after your death.
- Ensure that your property will be transferred to those you have identified, as quickly and with as few legal hurdles as possible.
- Minimize the amount of taxes that will need to be paid in order for your property to pass to others after your death.
- Avoid the time and costs associated with the probate process by utilizing estate planning devices like living trusts and “payable on death” bank accounts.
- Dictate the kinds of life-prolonging medical care you wish to receive should you be unable to make your wishes known when the time comes.
- Set forth the kind of funeral arrangements you would like, and how related expenses are to be paid.

Understanding the estate plan options that are right for you can be a complex undertaking. The attorneys of Fedor, Camargo & Weston PLC can help you identify your estate planning needs, recognize potential solutions, and help you through every step of the estate planning process.

Probate and Trust Administration

Administering an estate after a loved one has passed can be stressful and confusing at times. In addition to the emotional loss of the individual, there is the need to administer the deceased's estate in a timely and organized way. With specialized knowledge in the area of probate and trust administration, our attorneys have the expertise required to ensure that your probate matters are handled in a sensitive, but effective and efficient manner.

Probate Administration:

Probate court administration is through the local probate court, typically where the deceased person lived.

Testate:

If a person dies with a Will (otherwise known as "testate"), the probate court is necessary to give the Will legal authority. In other words, if all you have is a Will, probate court will likely be necessary to give the Will document legal authority. A probate court can determine if the Will is valid, hear any objections to the Will, order that creditors be paid and supervise the process of administration to assure that property remaining is distributed in accordance with the terms and conditions of the Will.

Intestate:

If a person dies without a Will (otherwise known as "intestate"), the probate court is the only authority that can appoint a personal representative, give authority to transfer assets solely in the name of the deceased, receive all claims against the

estate, pay creditors and then distribute all remaining property in accordance with the terms of the Will. The major difference between dying testate and dying intestate is that an intestate estate is distributed to beneficiaries in accordance with the distribution plan established by Michigan law; a testate estate (after payment of debts, taxes and costs of administration) is distributed in accordance with the instructions provided by the decedent in their Will.

Disadvantages of Probate:

- ✓ **Expense:** The cost of probating an estate can typically range from 3% to 7% of the total estate value.
- ✓ **Public:** The file of a probate estate is open to the public and viewable by anyone who wants to see the file.
- ✓ **Delay:** The minimum time a standard estate must remain open is 4 months after publishing public notice in the legal newspaper. This time period may delay the distribution of your assets to loved ones.

Advantages of a Trust:

- ✓ **Privacy:** The terms and details of your trust are not public information and available only to certain persons under Michigan law.
- ✓ **No Delay:** The terms of your trust can provide methods to provide financially for your loved ones immediately after your death. This will eliminate delay in using the trust assets for the benefit of those you leave behind.
- ✓ **Control:** You can control the timing of distributions from your trust, provide safeguards for specific concerns you may have about those receiving distributions from the trust and have the flexibility to customize how you would like your assets distributed.
- ✓ **Trust Administration:** Trust administration can be a more private, faster, and typically easier way to pass your assets on to loved ones as compared to the use of probate. Many clients choose the flexibility of a trust based estate plan to avoid the

expense, delay and public nature of going through the Michigan probate court system.

- ✓ **Duties of Administrator:** The duties of the person in charge of administering the estate, either as a personal representative of a probate estate or a trustee of a trust include collection of assets, management of assets, and disbursement of assets. Often times, these obligations are set by Michigan law. We can help you navigate this complex system and advise you on how to avoid personal liability in the administration process.
- ✓ **Out of State Clients:** We have extensive experience in working with out of state clients who are personal representatives and trustees for estates in Michigan. Contact us to see how we can assist you with all of your estate and trust administration needs.